

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF )  
AUXIER ROAD GAS COMPANY ) CASE NO. 10288-Z

O R D E R

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On February 26, 1997, Auxier filed its GCA to be effective April 1, 1997 to July 1, 1997.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice proposed revised rates designed to pass on to its customers the expected decreased gas costs from its suppliers. Auxier's proposed EGC for the quarter beginning April 1, 1997 is \$3.1294 per Mcf. Auxier had deleted Alliance Gas ("Alliance") as a supplier because it had not purchased gas from it for several months during the past winter. Because it does intend to continue purchasing gas from Alliance during the coming 12 month period, the EGC should be adjusted to reflect continued purchases from Alliance. Auxier's EGC should be \$2.7748 per Mcf.

2. Auxier's notice set out no refund adjustment.

3. Auxier's notice set out a current quarter actual adjustment ("AA") of (5.10) cents per Mcf to return over-recovered gas cost from October, November, and December 1996. The total AA of (43.2) cents per Mcf is designed to reflect the current over-collection, as well as over-recoveries from previous periods.

4. Auxier's notice set out a current quarter balance adjustment ("BA") of 1.3 cents per Mcf. The total BA of 3.6 cents per Mcf includes reconciling BA adjustments from previous quarters.

5. These adjustments produce a revised gas cost recovery rate of \$2.3788 per Mcf, 79.58 cents per Mcf less than the prior rate.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 1997.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Auxier are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for service rendered on and after April 1, 1997.

3. Within 30 days of the date of this Order, Auxier shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of April, 1997.

**PUBLIC SERVICE COMMISSION**

*Linda K. Breathitt*  
Chairman

*[Signature]*  
Vice Chairman

*B. J. Helton*  
Commissioner

ATTEST:

*Don Mills*  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 10288-Z DATED APRIL 1, 1997

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$2.3788	\$7.4888
All Over 1 Mcf Per Mcf	4.2599	2.3788	6.6387